

**AUDIT AND BUDGET  
COMMITTEE REPORT**

Meeting Date: June 17, 2014

**Subject: Royal Canadian Legion #165 Funding Request****APPROVALS:**

Carole Bouchard, Director  
Brian Makey, Chief Operating Officer  
Marcel Ulliac, Interim Chief Administrative Officer

**Administrative Recommendations:**

THAT the Royal Canadian Legion's request for \$495,000 capital grant for facility upgrades be recommended to Council for approval; and

THAT the capital grant be funded from:

- the 2014 Community Services Operating Budget;
- the Community and Corporate Services Division Operating surplus;
- the 2014 Corporate Operating Budget surplus; or
- the Emerging Issues Reserve,

in that order.

**Summary:**

The Royal Canadian Legion Branch #165 (the Legion) is requesting a capital grant to upgrade the facility at 9317 Huggard Street in Fort McMurray. Administration reviewed their funding request in accordance with the draft Community Investment Program (CIP) Guidelines for Community Capital Grants.

The application meets the program objectives and eligibility criteria identified in the CIP guidelines. Moreover, Administration verified that the Legion is committed to creating a financially sustainable business plan.

If the request is approved, the capital grant would be used for renovations to the fire detection system, electrical, plumbing, emergency generator, HVAC system and other general areas in order to meet government codes and regulations. The capital contribution is vital to the Legion realizing its long-term commitment to become financially sustainable.

**Background:**

Operating in the region since the 1950's, the Legion has a federal charter under the Government of Canada as a non-profit organization. It also has a long and proud history of servicing the community in its present location since 1977. Sadly, the Legion has faced some recent difficulties. Declining membership, coupled with an aging facility has put the branch in a position where funding is required to keep the organization viable.

Subsequently, the Legion retained MNP Chartered Accountants to provide business and financial oversight. The Regional Municipality of Wood Buffalo received a copy of their 2013 statement of financial position indicating that the Legion does not have enough resources to cover its financial obligations.

In April 2014, the Legion established a new Executive Board of Directors to lead the organization in its revitalization efforts. This revitalization is not only for the building itself, but also to improve program and service delivery to potentially service the region in a stronger and more vital way.

**Alternatives:**

That a capital contribution is not given, but Administration offers support to the organization by researching other funding possibilities.

**Budget/Financial Implications:**

The one-time grant of \$495,000 will assist with upgrades to the building to meet government regulations.

**Rationale for Recommendation:**

The Legion provides a host of programs and services to the community, including support for local veterans, RCMP and non-profit organizations, such as Meals on Wheels for seniors. The Legion also provides rental space, which fulfills the need for community public meeting space.

An analysis of the financial reporting indicates that to become financially sustainable, the Legion will be required to restructure its organization and streamline operations. The Legion has confirmed that they are committed to having a long-term business plan that is financially sustainable. Administration is working with the organization to explore Federal and Provincial funding opportunities for capital and operating grants.

Without the capital grant, the Legion will not be able to complete the required upgrades to meet government regulations. This will result in the closure of the facility, a loss of community programming and the organization not being able to meet its long-term goal of becoming financially sustainable.

In the past, the Municipality has made capital contributions to non-profit service groups to improve or expand facilities. The Legion meets the Community Investment Program Capital Grant program objectives to benefit the community by meeting specifically identified needs; improving program and services delivery within the region; and helping the community group or non-profit organization achieve its goals.

**Attachment:**

1. Royal Canadian Legion Branch #165 Application for Community Grant